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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/409,041	09/29/1999	JOHN M. PACKES JR.	WD2-99-030	4801

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EXAMINER

CUFF, MICHAEL A

ART UNIT

PAPER NUMBER

3627

DATE MAILED: 07/16/2003

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/409,041

Applicant(s)

PACKES ET AL.

Examiner

Michael Cuff

Art Unit

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on 01 May 2003.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-27, 29, 31-42 and 53-56 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-27, 29, 31-42 and 53-56 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 05 August 2002 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____

DETAILED ACTION

Applicant's Response

1. Applicant's response, filed 5/1/03, has been received and considered.

Claim Rejections - 35 USC § 101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

2. Claims 1-27, 29, 31-37, and 53-56 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claims 1-27, 29, 31-37 and 53-56 show a series of steps which are grounded in the abstract idea of, for example, conveying, determining, and completing. The broadly recited steps do not recite sufficient computer structure that is within "technological arts". Therefore, they do not satisfy the statutory requirements of 35 USC 101. See *In re Toma*, 197 USPQ 852 (CCPA 1978).

The changes to fix this issue are relatively minor. For example, Claim 1 could be re-written so that the second step read --determining a final value of the transaction term by the processor; and --. Notice that claims 38-42 are fine because they recite the processor.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. Claims 1-3, 5, 12, 13, 15-19, 24-27, 31-42 and 53-56 are rejected under 35 U.S.C. 102(b) as being anticipated by Walker et al. (5,794,207).

Walker et al. ('207) shows, figure 12, a commercial network system designed to facilitate buyer driven conditional purchase offers. In this system the buy creates a conditional purchase offer (CPO) (default value/price, non-final sales price term), with tracking numbers (customer identification) and a CPO database 265. A CPO is created by specifying the subject of the goods he wishes to purchase, a description of the goods he wishes to obtain, and any other conditions the buyer requires. For example, a typical CPO could specify that the buyer wants to purchase a block of four airline tickets from Chicago's O'Hare Airport to Dallas, Tex., the tickets must be from any of the six largest U.S. carriers, the buyer is willing to change planes no more than once so long as the scheduled layover is less than two hours, and the buyer is willing to pay \$180 per ticket, plus any applicable taxes. (these are value parameters, including price). Figure 12 shows step 1200 where the seller transfers goods to buyer (conveying product to a customer before an associated transaction term finalized, final sales price) This transfer could involve the delivery of physical goods as well as digital goods. Physical goods might include cars, jewelry, computer equipment, etc. Digital goods might include

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documents, tickets, access codes, etc. In the Walker et al. system, if the customer is dissatisfied, he seeks damages or seek replacement (column 30, lines 62-63) (a value proposal submitted and received after customer took possession, first override value, includes price and other value variables). The original CPO value and the sought value amount may be compare by an arbiter who may submit another resolution (second override value) The components of proposed values, such price, submitted my be high or lower depending on who submitted the proposed value and the combination of components. Software to run the Walker et al. system is inherent.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 4, 6-11, 14 and 29 are rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al., as applied in claims 1, 12 and 26 in view of Bloomberg et al. (from IDS) and Vig.

Walker et al. shows all of the limitations of the claims except for specifying interest rates, warranties, time limits, comparing competing products, egress control devices, product markers and receipts.

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Vig teaches, column 45, lines 54-60, a system for providing non-subjective valuing. In this system, Vig teaches many components of "value" including financing (interest rates) and warranty in order to quantify value in order to make better decisions.

Based on the teaching of Vig, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate interest rates and warranties as part of its CPO in order to quantify value in order to make better decisions.

Bloomberg et al. teaches, figure 1, a price protection system, which is run for a distinct period of time in order to bring closure to the transaction and compares prices with competing producers in order to establish the best prices available.

Based on the teaching of Bloomberg et al., it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate a time limit before final sale in order to bring closure to the transaction and to incorporate that the arbiter use and compare competing producer pricing in order to establish the best prices available so that a fair decision may be obtained.

The examiner takes official notice that the use of product markers would have been obvious to one of ordinary skill in the art in order to facilitate sales.

Based on the discussion above, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate the use of product markers in order to facilitate sales.

5. Claim 29 is rejected under 35 U.S.C. 103(a) as being unpatentable over Walker et al., as applied in claim 26 in view of Bloomberg et al. (from IDS), Vig and Boers et al..

Walker et al. shows all of the limitations of the claims except for specifying interest rates, warranties, time limits, comparing competing products, egress control devices, product markers and receipts.

Vig teaches, column 45, lines 54-60, a system for providing non-subjective valuing. In this system, Vig teaches many components of "value" including financing (interest rates) and warranty in order to quantify value in order to make better decisions.

Based on the teaching of Vig, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate interest rates and warranties as part of its CPO in order to quantify value in order to make better decisions.

Bloomberg et al. teaches, figure 1, a price protection system, which is run for a distinct period of time in order to bring closure to the transaction and compares prices with competing producers in order to establish the best prices available.

Based on the teaching of Bloomberg et al., it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate a time limit before final sale in order to bring closure to the transaction and to incorporate that the arbiter use and compare competing producer pricing in order to establish the best prices available so that a fair decision may be obtained.

Boers et al. teaches, column 1, lines 42-43, a weighing device which produces a sticker with a barcode to be attached to the product in order to better label a customized product which facilitates sales.

Based on the discussion above, it would have been obvious to one of ordinary skill in the art, at the time the invention was made, to modify the Walker et al. system to incorporate the use of a barcode sticker to be attached to the product in order to better label a customized product which facilitates sales.

Response to Arguments

Applicant's arguments filed 5/1/03 have been fully considered but they are not persuasive.

Applicant has argued the USC 101 rejection. The examiner has considered applicant's argument. However, it is a matter of office policy, not examiner's determination to maintain the USC 101 rejection.

Applicant asserts that the Walker et al. reference does not disclose conveying a product to a customer before the final price or sales terms have been finalized. The examiner does not concur. Figure 12 clearly shows in step 1200 seller transfers goods to buyer. At this stage, there is only a conditional purchase offer. The final price or terms may change in step 1230. The final price is not finalized until step 1240 "transaction complete".

The examiner recommends careful reading of column 20, lines 31-48 and column 30, line 40 to column 31, line 9 of the Walker et al. reference to support this position.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

Any inquiry concerning this communication should be directed to Michael Cuff at telephone number (703) 308-0610.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 305-3900. The fax phone number for this Group is (703) 746-7239. (After Final special fax number (703) 746-7238)


Michael Cuff
July 14, 2003